

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

5. Lease Serial No.
UTU-037167

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

NATURAL BUTTES UNIT

8. Lease Name and Well No.

NBU 1022-35J

9. API Well No.

43-047-37180

10. Field and Pool, or Exploratory
NATURAL BUTTES

11. Sec., T., R., M., or Blk, and Survey or Area

SEC 35-T10S-R22E

12. County or Parish

UINTAH

13. State

UT

1a. Type of Work: ☒ DRILL

☐ REENTER

b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other

☐ Single Zone ☒ Multiple Zone

2. Name of Operator

WESTPORT OIL & GAS COMPANY, L.P.

3A. Address

1368 SOUTH 1200 EAST, VERNAL, UTAH 84078

3b. Phone No. (include area code)

(435) 781-7060

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface NWSE 1971' FSL 1844' FEL 636474X 39.903589
At proposed prod. Zone 44180674 -109.403515

14. Distance in miles and direction from nearest town or post office*

26.6 MILES SOUTHEAST OF OURAY, UTAH

15. Distance from proposed*

location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)

1844'

16. No. of Acres in lease

1320

17. Spacing Unit dedicated to this well

40

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

REFER TO
TOPO C

19. Proposed Depth

8050'

20. BLM/BIA Bond No. on file

CO-1203

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

5667.3' GL

22. Approximate date work will start*

UPON APPROVAL

23. Estimated duration

TO BE DETERMINED

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.

2. A Drilling Plan.

3. A Surface Use Plan (if the location is on National Forest System Lands, the
SUPO shall be filed with the appropriate Forest Service Office.

4. Bond to cover the operations unless covered by an existing bond on file (see
Item 20 above).

5. Operator certification.

6. Such other site specific information and/or plans as may be required by the
authorized office.

25. Signature

Debra Domenici

Name (Printed/Typed)

DEBRA DOMENICI

Date

9/20/2005

Title

ASSOCIATE ENVIRONMENTAL ANALYST

Approved by (Signature)

Bradley G Hill

Name (Printed/Typed)

BRADLEY G HILL

Date

09-27-05

Title

ENVIRONMENTAL SCIENTIST III

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

Federal Approval of this
Action is Necessary

RECEIVED

SEP 26 2005

DIV. OF OIL, GAS & MINING

T10S, R22E, S.L.B.&M.

N89°25'W - 2640.66' (G.L.O.)

N89°53'W - 2637.36' (G.L.O.)

N00°02'W - 2653.86' (G.L.O.)

N00°14'W - 2628.78' (G.L.O.)

N00°13'W - 2614.92' (G.L.O.)

S00°01'23"W - 2636.04' (Meas.)

T10S
T11S

1991 Brass Cap,
0.5' High, Pile
of Stones

1991 Brass Cap,
0.4' High, Pile
of Stones

1991 Alum. Cap,
Pile of Stones

S89°56'49"W - 2632.18' (Meas.)

S89°59'56"W - 2641.71' (Meas.)

NBU #1022-35J
Elev. Ungraded Ground = 5667'

1844'

1971'

1991 Alum. Cap,
Pile of Stones,
Steel Post

35

LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(NAD 83)

LATITUDE = 39°54'12.82" (39.903561)

LONGITUDE = 109°24'15.14" (109.404206)

(NAD 27)

LATITUDE = 39°54'12.94" (39.903594)

LONGITUDE = 109°24'12.69" (109.403525)

WESTPORT OIL AND GAS COMPANY, L.P.

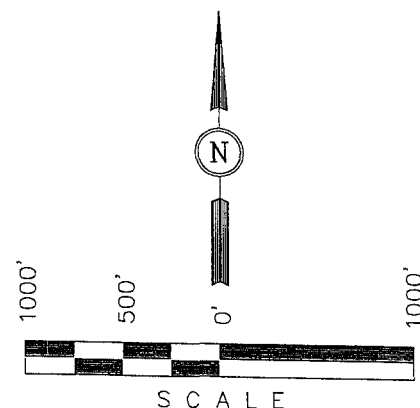
Well location, NBU #1022-35J, located as shown in the NW 1/4 SE 1/4 of Section 35, T10S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert H. Key
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'			DATE SURVEYED: 02-22-05	DATE DRAWN: 05-18-05
PARTY D.K. T.B. P.M.			REFERENCES G.L.O. PLAT	
WEATHER COLD		FILE WESTPORT OIL AND GAS COMPANY, L.P.		

NBU 1022-35J
NWSE SEC 35-T10S-R22E
UINTAH COUNTY, UTAH
UTU-037167

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. **Estimated Tops of Important Geologic Markers:**

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1050'
Wasatch	3880'
Mesaverde	5950'
TD	8050'

2. **Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	1050'
Gas	Wasatch	3880'
Gas	Mesaverde	5950'
Water	N/A	
Other Minerals	N/A	

3. **Pressure Control Equipment** (Schematic Attached)

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

4. **Proposed Casing & Cementing Program:**

Please see the Natural Buttes Unit SOP.

5. **Drilling Fluids Program:**

Please see the Natural Buttes Unit SOP.

6. **Evaluation Program:**

Please see the Natural Buttes Unit SOP.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 8050' TD, approximately equals 3220 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1449 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

Drilling is planned to commence immediately upon approval of this application.

9. **Variances:**

Please see Natural Buttes Unit SOP.

10. **Other Information:**

Please see Natural Buttes Unit SOP.



Westport Oil and Gas Company, L.P.

DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				2270	1370	254000
SURFACE	9-5/8"	0 to 1800	32.30	H-40	STC	0.78*****	1.63	4.99
						7780	6350	201000
PRODUCTION	4-1/2"	0 to 8050	11.60	I-80	LTC	2.67	1.35	2.47

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point))
 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)
 (Burst Assumptions: TD = 11.2 ppg) .22 psi/ft = gradient for partially evac wellbore
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
 MASP 2917 psi

***** Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE Option 1	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE Option 2		NOTE: If well will circulate water to surface, option 2 will be utilized					
	LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,380'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	370	60%	11.00	3.38
	TAIL	4,670'	50/50 Poz/G + 10% salt + 2% gel + 1% R-3	1310	60%	14.30	1.31

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

*Substitute caliper hole volume plus 15% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 3M with one annular and 2 rams. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. Record on chart recorder &

tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

DRILLING ENGINEER:

Brad Laney

DATE:

DRILLING SUPERINTENDENT:

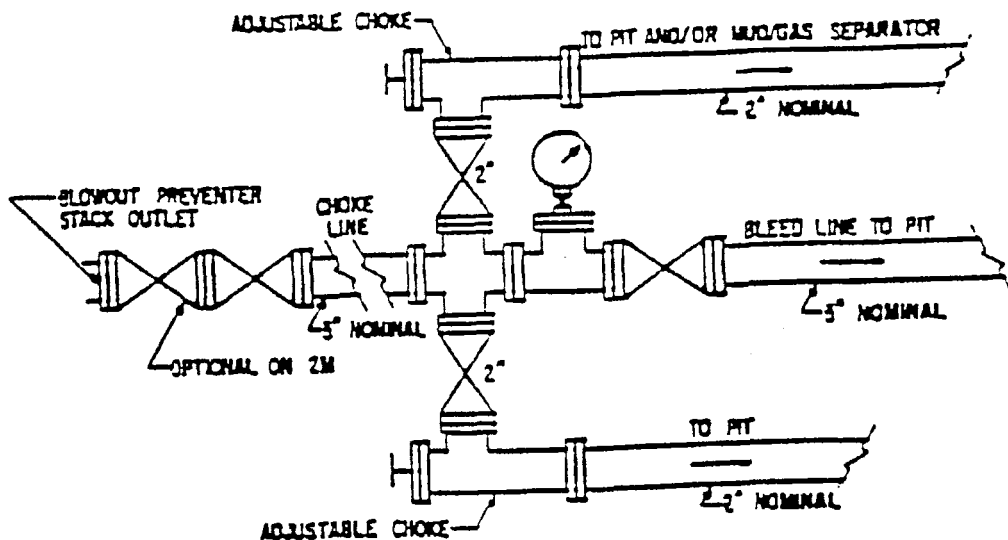
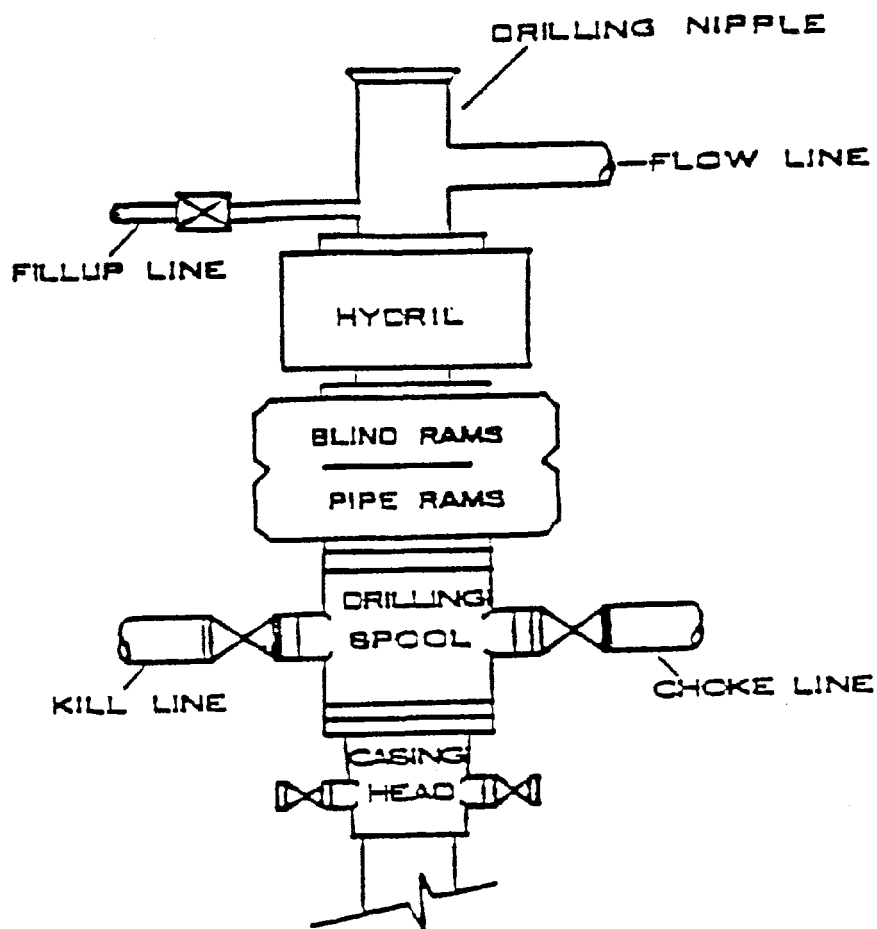
Randy Bayne

DATE:

NBU1022-35J_APD.xls

3,000 PSI

EOP STACK



NBU 1022-35J
NWSE SEC 35-T10S-R22E
UINTAH COUNTY, UTAH
UTU-037167

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the NBU 1022-35J on 8/23/05, for the subject well.

1. **Existing Roads:**

Refer to the attached location directions.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

2. **Planned Access Roads:**

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

Approximately 300' of new access road is proposed. Refer to Topo Map B.

3. **Location of Existing Wells Within a 1-Mile Radius**

Please refer to Topo Map C.

4. **Location of Existing & Proposed Facilities**

Please see the Natural Buttes Unit SOP.

Approximately 35' of pipeline is proposed. Refer to Topo Map D for the location of the proposed pipelines.

Variances to Best Management Practices (BMPs) Requested:

Approximately 35' of 4" steel pipeline will be installed on surface within the access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

This exception to the BMP should be granted by the BLM Authorized Officer because indurated bedrock, such as sandstone, is at or within 2 feet of the surface and the soil has a poor history for successful rehabilitation.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Carlsbad Canyon Brown (2.5Y 6/2), a non-reflective earthtone.

5. **Location and Type of Water Supply:**

Please see the Natural Buttes SOP.

6. **Source of Construction Materials**

Please see the Natural Buttes SOP.

7. **Methods of Handling Waste Materials**

Please see the Natural Buttes SOP.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E (*Request is in lieu of filing Form 3160-5, after initial production*).

8. **Ancillary Facilities**

Please see the Natural Buttes SOP.

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

As per previous onsite discussion, a 20 mil reserve pit liner with felt will be used.

Location size may change prior to the drilling of the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling rig. The location will be re-surveyed and a form 3160-5 will be submitted.

10. **Plans for Reclamation of the Surface:**

Please see the Natural Buttes SOP.

When the pit is backfilled, the topsoil pile shall be spread on the location up to the rig anchor points. The location will be reshaped to the original contour to the extent possible. The following seed mixture will be used to reclaim the surface for interim reclamation using appropriate reclamation methods. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for *drilled* seed are:

Crested Wheat Grass	12 lbs.
---------------------	---------

Operator shall call the BLM for the seed mixture when final reclamation occurs.

11. Surface Ownership:

The well pad and access road are located on lands owned by:

United States of America
Bureau of Land Management
170 South 500 East
Vernal, UT 84078
(435)781-4400

12. Other Information:

A Class III archaeological survey and a paleontological survey have been performed and will be filed when received.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying within the boundaries of the Unit.

13. Lessee's or Operator's Representative & Certification:

Debra Domenici
Associate Environmental Analyst
Westport O&G Co.
1368 South 1200 East
Vernal, UT 84078
(435) 781-7060

Randy Bayne
Drilling Manager
Westport O&G Co.
1368 South 1200 East
Vernal, UT 84078
(435) 781-7018

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

Westport O&G Co. is considered to be the operator of the subject well. Westport O&G Co. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon leased lands.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by BLM Nationwide Bond #CO-1203.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.


Debra Domenici

9/20/2005

Date

WESTPORT OIL AND GAS COMPANY, L.P.

NBU #1022-35J

SECTION 35, T10S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 9.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 2.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 300' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 57.65 MILES.

WESTPORT OIL AND GAS COMPANY, L.P.

NBU #1022-35J

LOCATED IN UINTAH COUNTY, UTAH

SECTION 35, T10S, R22E, S.L.B.&M.

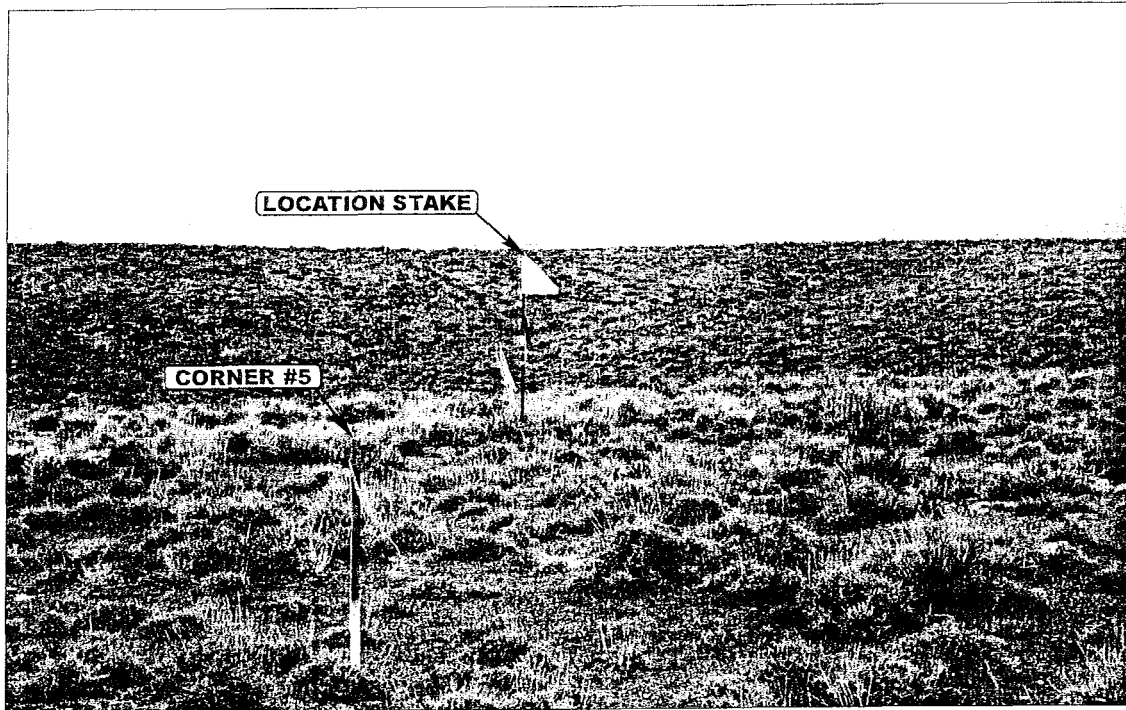


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

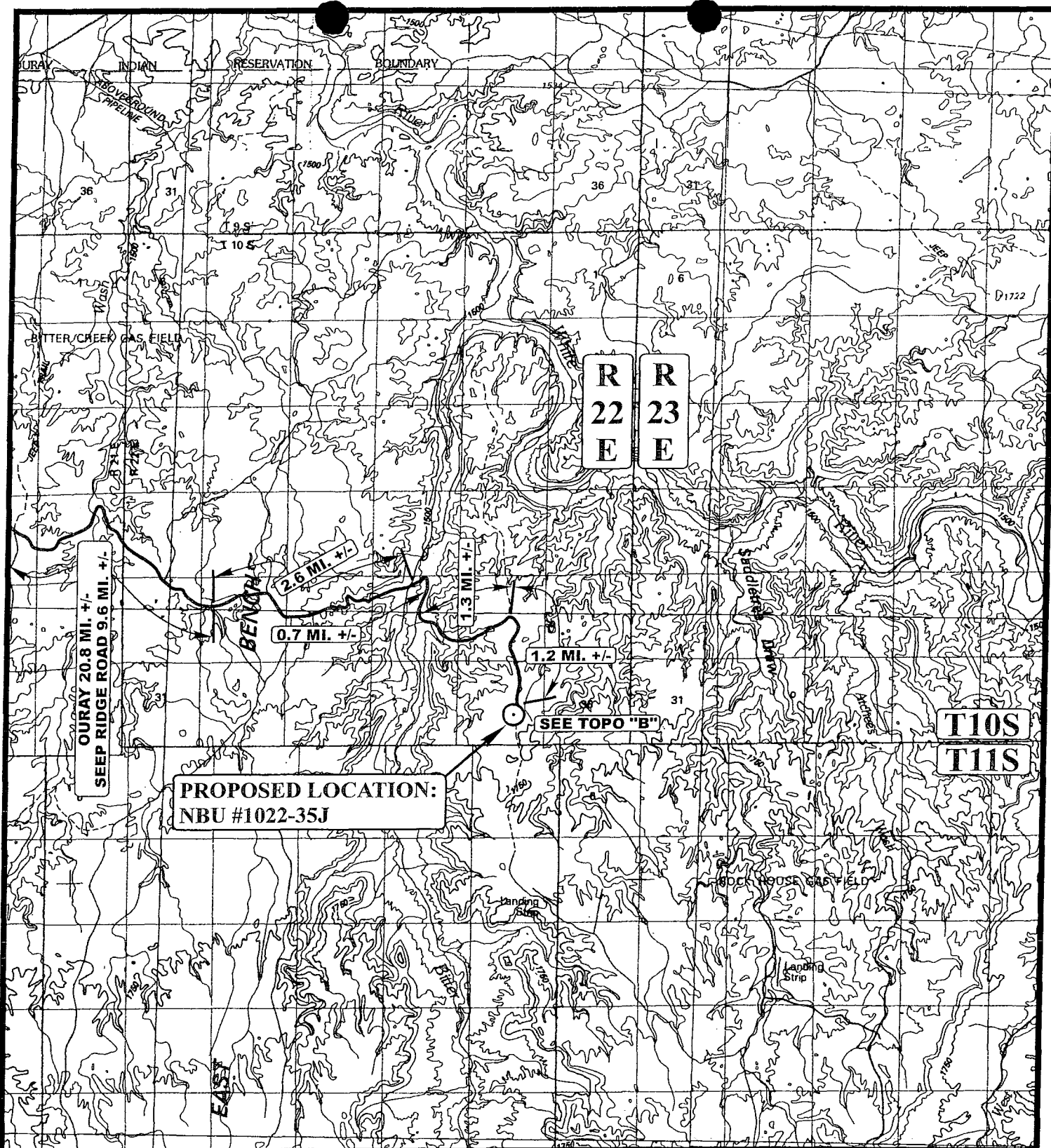
05 13 05
MONTH DAY YEAR

PHOTO

TAKEN BY: D.K.

DRAWN BY: C.H.

REVISED: 00-00-00



LEGEND:

○ PROPOSED LOCATION

N

WESTPORT OIL AND GAS COMPANY, L.P.

NBU #1022-35J

SECTION 35, T10S, R22E, S.L.B.&M.

1971' FSL 1844' FEL



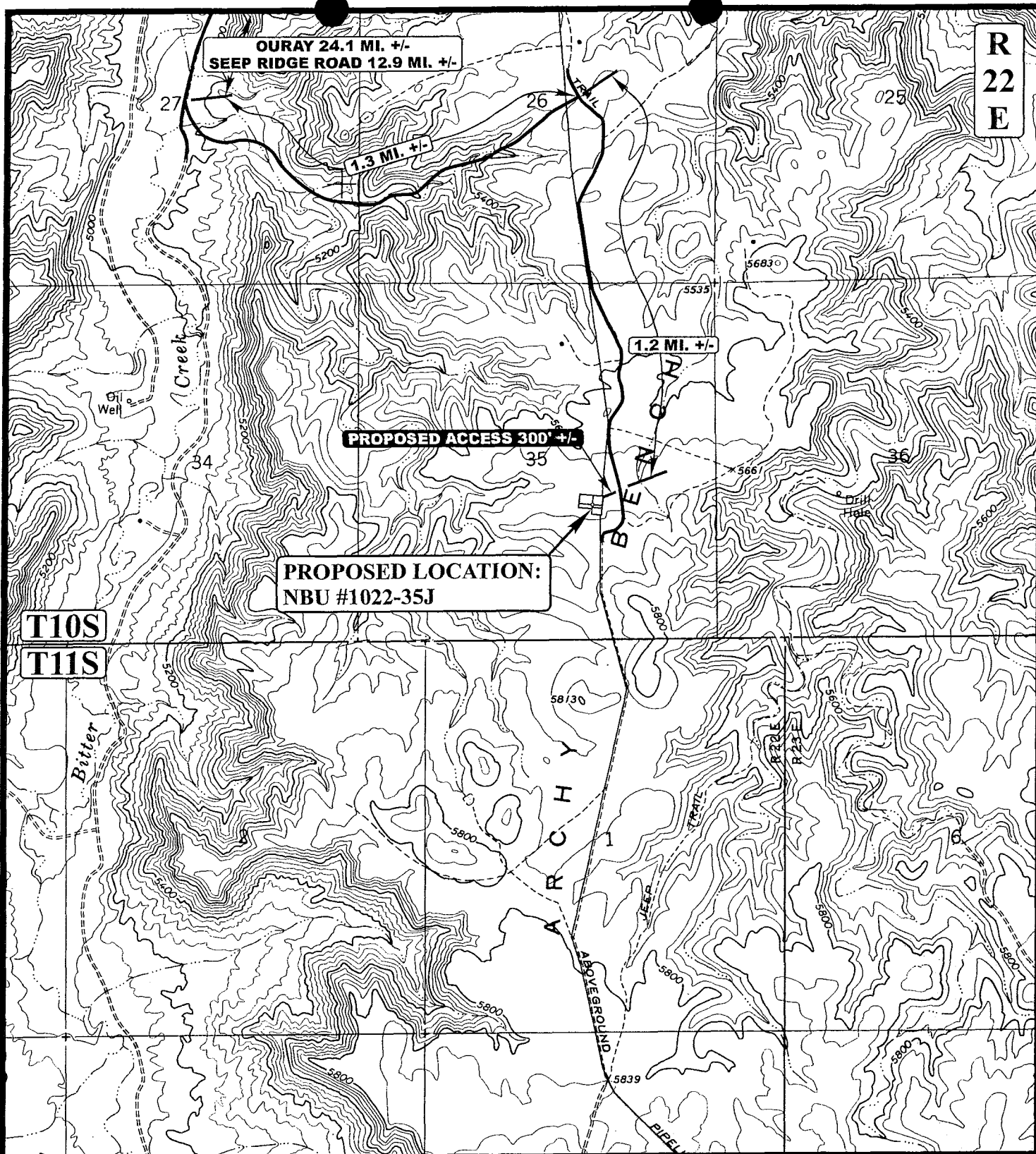
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

05 13 05
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: C.H. REVISED: 00-00-00





LEGEND:

————— EXISTING ROAD
 - - - - - PROPOSED ACCESS ROAD



WESTPORT OIL AND GAS COMPANY, L.P.

NBU #1022-35J
SECTION 35, T10S, R22E, S.L.B.&M.
1971' FSL 1844' FEL



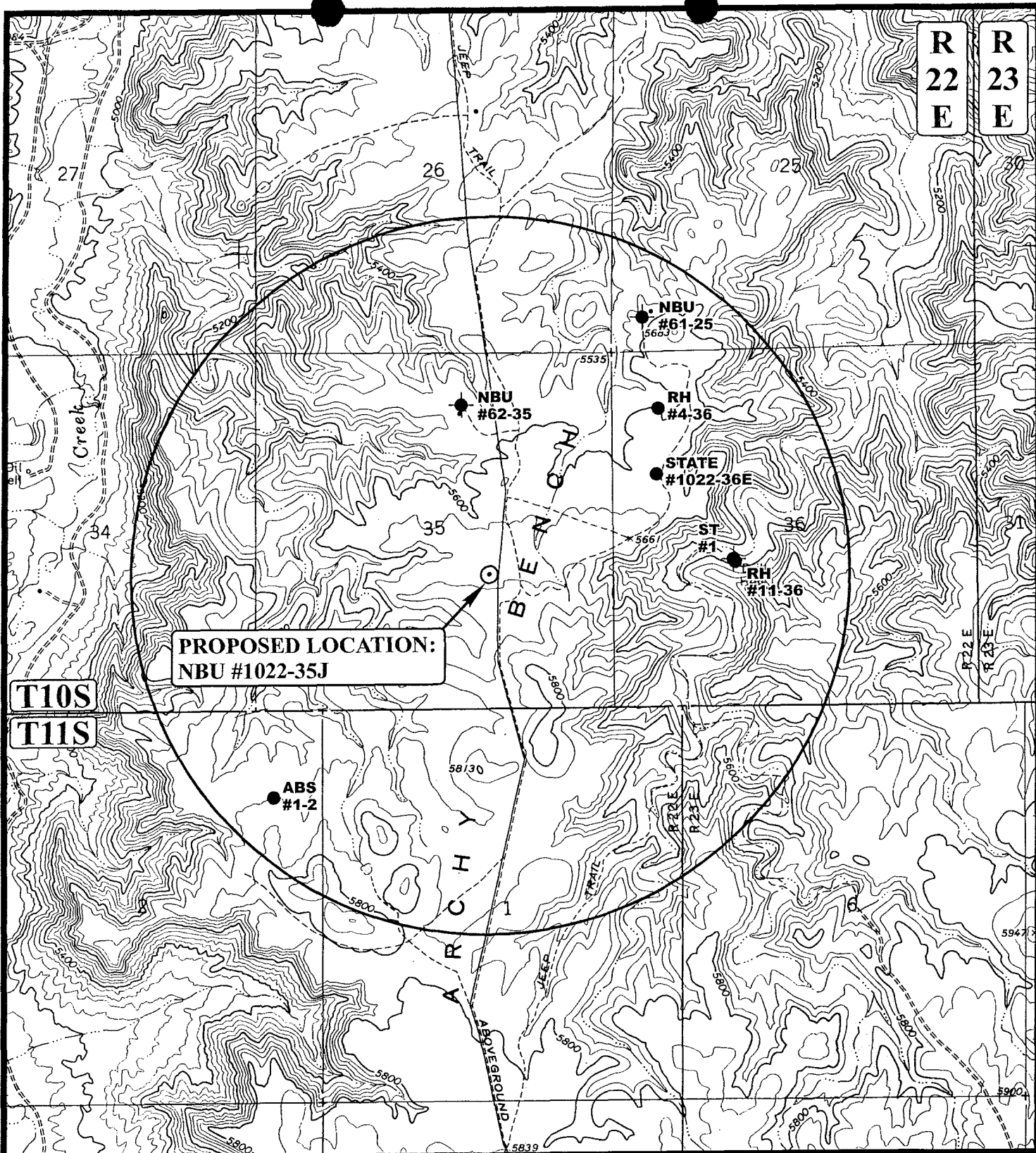
Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

05 **13** **05**
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.H. REVISED: 00-00-00

B
TOPO



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

WESTPORT OIL AND GAS COMPANY, L.P.

NBU #1022-35J
SECTION 35, T10S, R22E, S.L.B.&M.
1971' FSL 1844' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

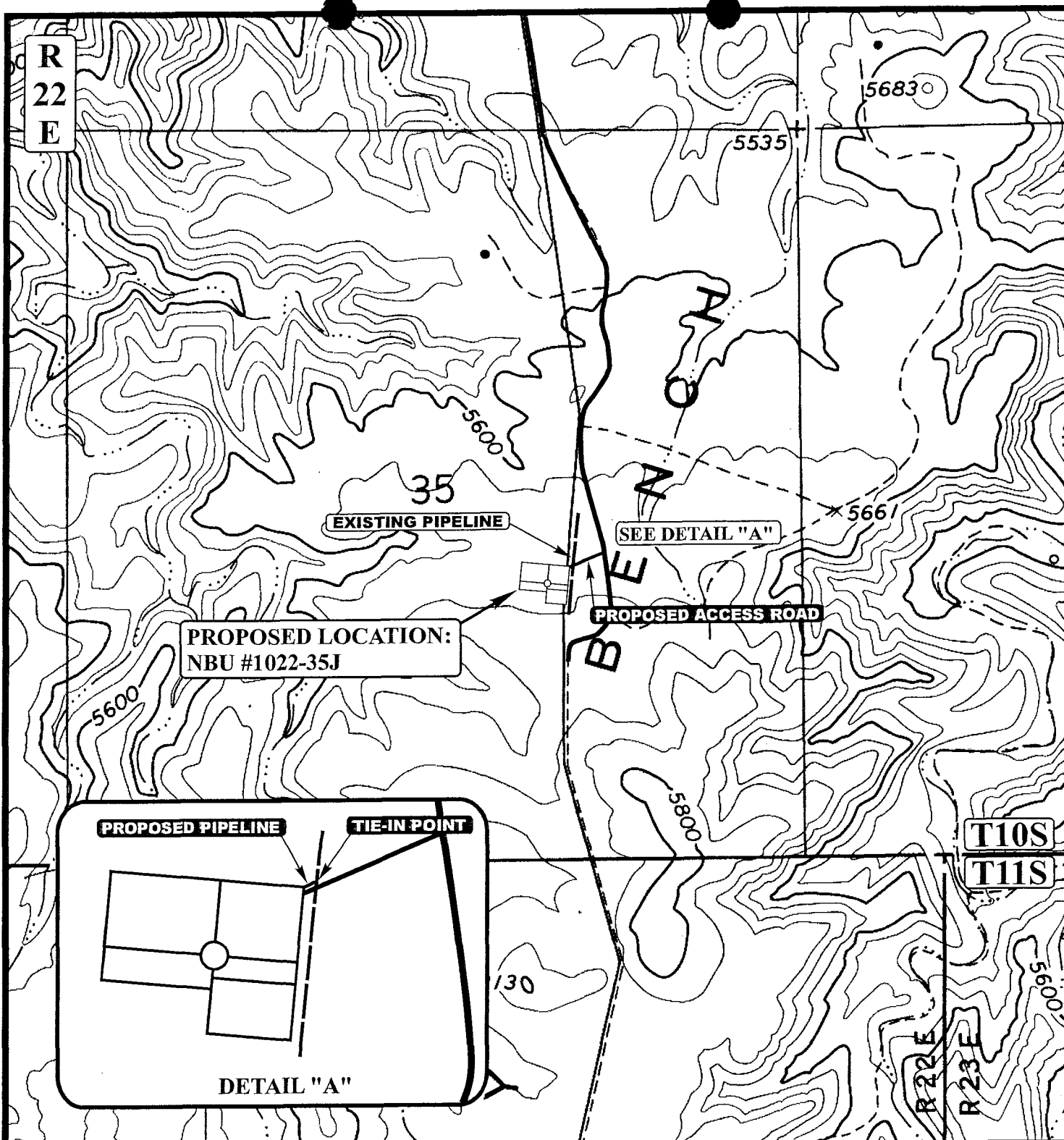


TOPOGRAPHIC
MAP

05 13 05
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.H. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 35' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE

WESTPORT OIL AND GAS COMPANY, L.P.

NBU #1022-35J

SECTION 35, T10S, R22E, S.L.B.&M.

1971' FSL 1844' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC
MAP

05 13 05
MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.H. REVISED: 00-00-00

D
TOPO

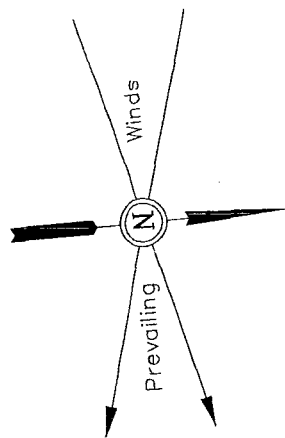
WESTPORT OIL AND GAS COMPANY, L.P.

FIGURE #1

LOCATION LAYOUT FOR

NBU #1022-35J
SECTION 35, T10S, R22E, S.L.B.&M.
1971' FSL 1844' FEL

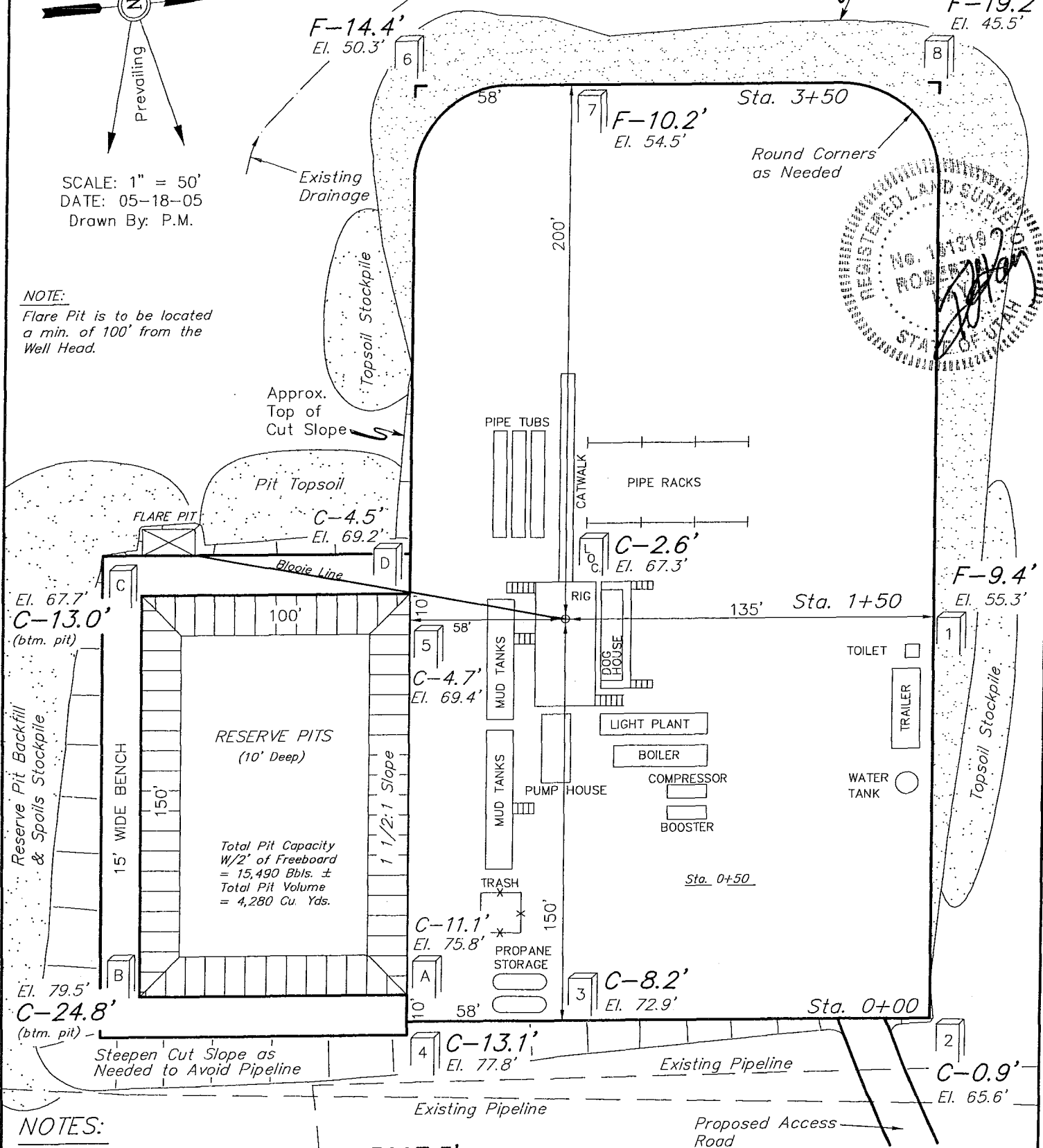
Approx.
Toe of
Fill Slope



SCALE: 1" = 50'
DATE: 05-18-05
Drawn By: P.M.

NOTE:

Flare Pit is to be located
a min. of 100' from the
Well Head.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5667.3'
FINISHED GRADE ELEV. AT LOC. STAKE = 5664.7'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

WESTPORT OIL AND GAS COMPANY, L.P.

FIGURE #2

TYPICAL CROSS SECTIONS FOR

NBU #1022-35J

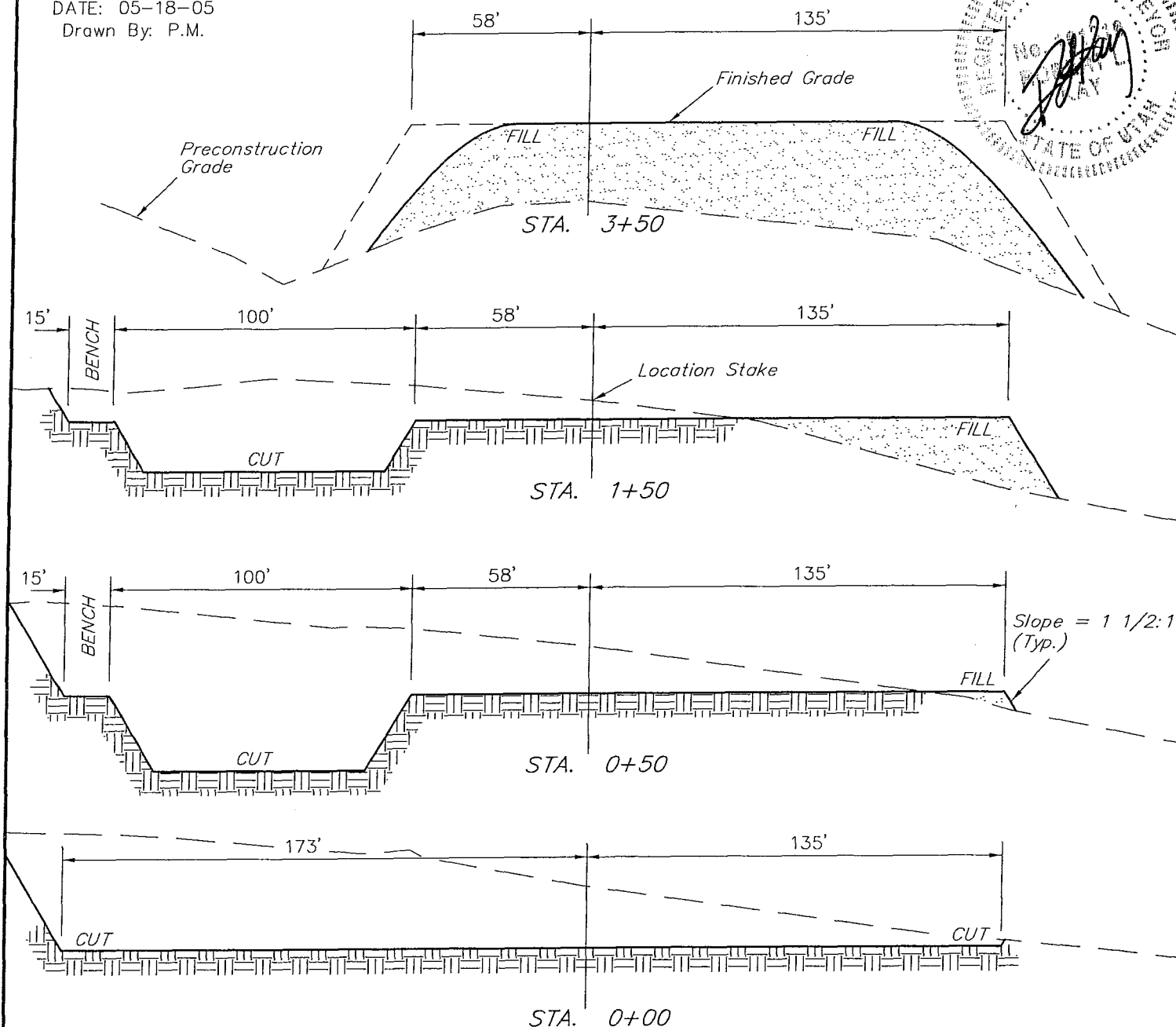
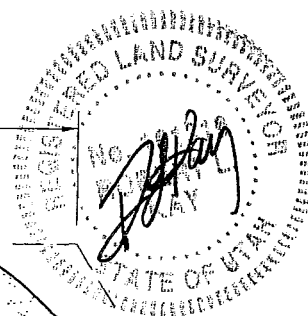
SECTION 35, T10S, R22E, S.L.B.&M.

1971' FSL 1844' FEL

1" = 20'
X-Section
Scale
1" = 50'

DATE: 05-18-05

Drawn By: P.M.



* NOTE:

FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 2,120 Cu. Yds.
Remaining Location = 15,630 Cu. Yds.

TOTAL CUT = 17,750 CU.YDS.

FILL = 13,490 CU.YDS.

EXCESS MATERIAL = 4,260 Cu. Yds.

Topsoil & Pit Backfill
(1/2 Pit Vol.) = 4,260 Cu. Yds.

EXCESS UNBALANCE = 0 Cu. Yds.
(After Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING

85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/26/2005

API NO. ASSIGNED: 43-047-37180

WELL NAME: NBU 1022-35J

OPERATOR: WESTPORT OIL & GAS CO (N2115)

CONTACT: DEBRA DOMENICI

PHONE NUMBER: 435-781-7060

PROPOSED LOCATION:

NWSE 35 100S 220E

SURFACE: 1971 FSL 1844 FEL

BOTTOM: 1971 FSL 1844 FEL

UINTAH

NATURAL BUTTES (630)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-037167

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSMVD

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 39.90359

LONGITUDE: -109.4035

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. CO-1203)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. 43-8496)
☒ RDCC Review (Y/N)
(Date:)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

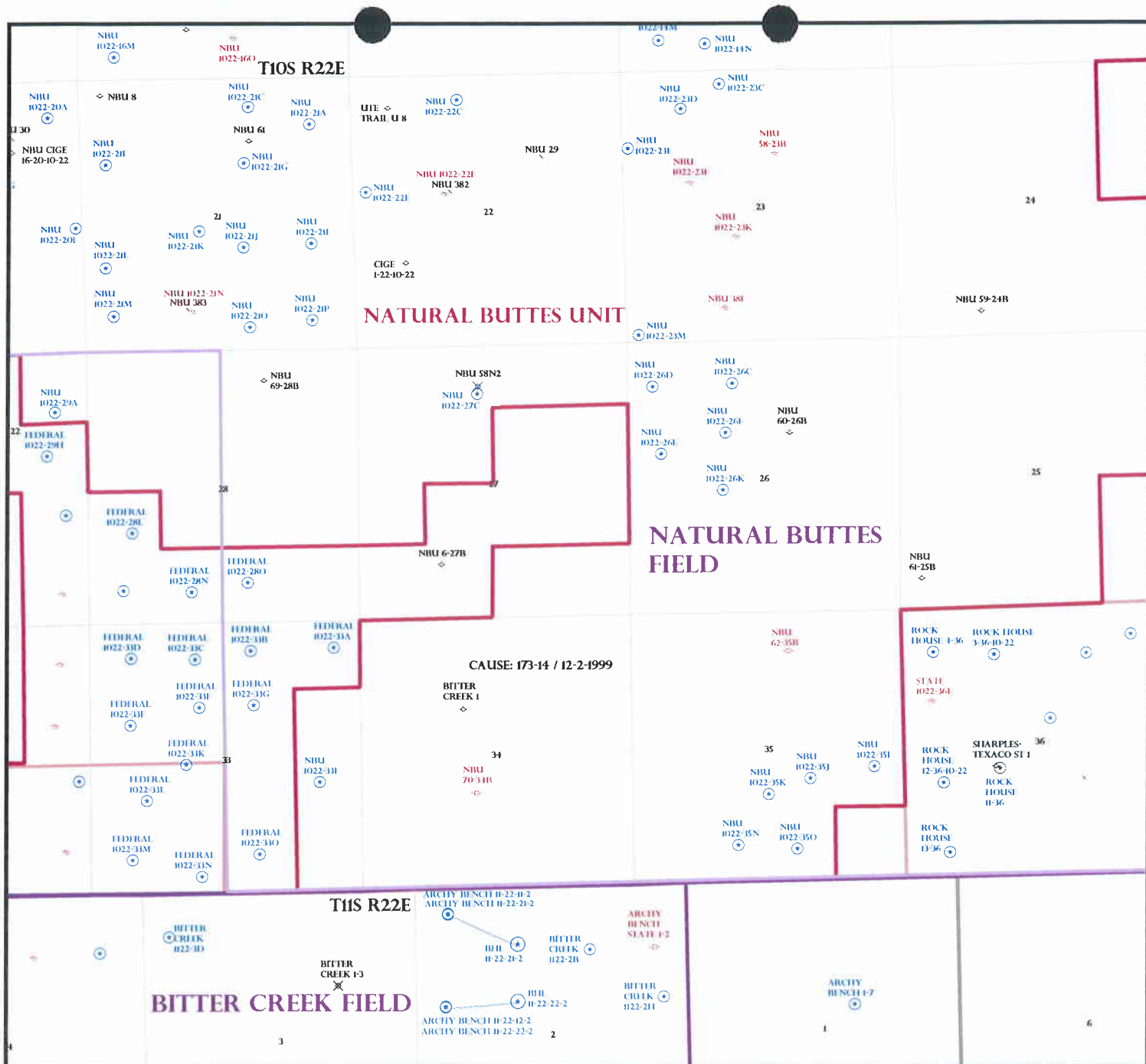
___ R649-2-3.
Unit NATURAL BUTTES
___ R649-3-2. General
Siting: 460' From Qtr/Qtr & 920' Between Wells
___ R649-3-3. Exception
☒ Drilling Unit
Board Cause No: 173-14
Eff Date: 12-2-1999
Siting: 460' Fr u bdr g & uncomm. Tract
___ R649-3-11. Directional Drill

COMMENTS:

See Separate File

STIPULATIONS:

*1-Federal Approval
2-OIL SHALE*



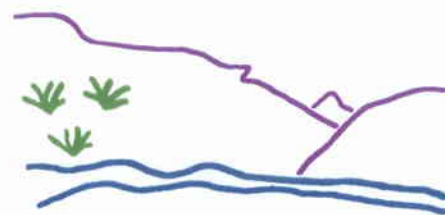
OPERATOR: WESTPORT O&G CO (N2115)

SEC: 27,35 T. 10S R. 22E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 173-14 / 12-2-1999



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 27-SEPTEMBER-2005

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

September 27, 2005

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2005 Plan of Development Natural Buttes Unit Uintah
County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2005 within the Natural Buttes Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
-------	-----------	----------

(Proposed PZ Wasatch-MesaVerde)

43-047-37166 NBU 1022-9J Sec 09 T10S R22E 1941 FSL 1739 FEL
43-047-37167 NBU 1022-9N Sec 09 T10S R22E 0661 FSL 1983 FWL
43-047-37168 NBU 1022-10J Sec 10 T10S R22E 2136 FSL 2620 FEL
43-047-37169 NBU 1022-10L Sec 10 T10S R22E 2273 FSL 0580 FWL
43-047-37170 NBU 1022-10M Sec 10 T10S R22E 0364 FSL 0358 FWL
43-047-37171 NBU 1022-21M Sec 21 T10S R22E 0727 FSL 0560 FWL
43-047-37172 NBU 1022-21L Sec 21 T10S R22E 1675 FSL 0420 FWL
43-047-37173 NBU 1022-21P Sec 21 T10S R22E 0579 FSL 0852 FEL
43-047-37174 NBU 1022-21O Sec 21 T10S R22E 0462 FSL 2059 FEL
43-047-37175 NBU 1022-21J Sec 21 T10S R22E 2018 FSL 2162 FEL
43-047-37176 NBU 1022-22E Sec 22 T10S R22E 2247 FNL 0228 FWL
43-047-37177 NBU 1022-22C Sec 22 T10S R22E 0467 FNL 2018 FWL
43-047-37165 NBU 1022-27C Sec 27 T10S R22E 0922 FNL 2341 FWL
43-047-37178 NBU 1022-35O Sec 35 T10S R22E 0610 FSL 2139 FEL
43-047-37179 NBU 1022-35N Sec 35 T10S R22E 0703 FSL 1995 FWL
43-047-37180 NBU 1022-35J Sec 35 T10S R22E 1971 FSL 1844 FEL

Page 2

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File – Natural Buttes Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:9-27-05



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

September 27, 2005

Westport Oil & Gas Company, LP
1368 South 1200 East
Vernal, UT 84078

Re: Natural Buttes Unit 1022-35J Well, 1971' FSL, 1844' FEL, NW SE,
Sec. 35, T. 10 South, R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37180.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Westport Oil & Gas Company, LP
Well Name & Number Natural Buttes Unit 1022-35J
API Number: 43-047-37180
Lease: UTU-037167

Location: NW SE Sec. 35 T. 10 South R. 22 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

5. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ

2. CDW

X Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

1/6/2006

FROM: (Old Operator):

N2115-Westport Oil & Gas Co., LP
 1368 South 1200 East
 Vernal, UT 84078
 Phone: 1-(435) 781-7024

TO: (New Operator):

N2995-Kerr-McGee Oil & Gas Onshore, LP
 1368 South 1200 East
 Vernal, UT 84078
 Phone: 1-(435) 781-7024

CA No.		Unit:		NATURAL BUTTES UNIT				
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/10/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/10/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/7/2006
- a. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- b. If **NO**, the operator was contacted on: _____
- 5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: n/a 3 LA wells & all PA wells transferred
- 5c. Reports current for Production/Disposition & Sundries on: ok
- 6. Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 3/27/2006 BIA not yet
- 7. Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 3/27/2006
- 8. Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- 9. Underground Injection Control ("UIC")** The Division has approved UIC Form 5, Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: _____

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 5/15/2006
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 5/15/2006
- Bond information entered in RBDMS on: 5/15/2006
- Fee/State wells attached to bond in RBDMS on: 5/16/2006
- Injection Projects to new operator in RBDMS on: _____
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a Name Change Only

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: CO1203
- Indian well(s) covered by Bond Number: RLB0005239
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0005236
- a. The **FORMER** operator has requested a release of liability from their bond on: n/a rider added KMG
The Division sent response by letter on: _____

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 5/16/2006

COMMENTS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR-McGEE OIL & GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEE ATTACHED

5. Lease Serial No.

MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other **CHANGE OF OPERATOR**

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

PLEASE BE ADVISED THAT KERR-McGEE OIL & GAS ONSHORE LP, IS CONSIDERED TO BE THE OPERATOR OF THE ATTACHED WELL LOCATIONS. EFFECTIVE JANUARY 6, 2006.

KERR-McGEE OIL & GAS ONSHORE LP, IS RESPONSIBLE UNDER TERMS AND CONDITIONS OF THE LEASE(S) FOR THE OPERATIONS CONDUCTED UPON LEASE LANDS. BOND COVERAGE IS PROVIDED BY STATE OF UTAH NATIONWIDE BOND NO. RLB0005237.

RECEIVED

MAY 10 2006

DIV. OF OIL, GAS & MINING

BLM BOND = C01203

BIA BOND = RLB0005237

APPROVED 5/16/06

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

RANDY BAYNE

Title

DRILLING MANAGER

Signature

Date

May 9, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

5. Lease Serial No.

MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

WESTPORT OIL & GAS COMPANY L.P.

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEE ATTACHED

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other CHANGE OF OPERATOR
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

EFFECTIVE JANUARY 6, 2006, WESTPORT OIL & GAS COMPANY L.P., HAS RELINQUISHED THE OPERATORSHIP OF THE ATTACHED WELL LOCATIONS TO KERR-McGEE OIL & GAS ONSHORE LP.

APPROVED 5/16/06

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

RECEIVED

MAY 10 2006

DIV OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

BRAD LANEY

Signature

Title

ENGINEERING SPECIALIST

Date

May 9, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Brad Laney

Title

Office

Date

5-9-06

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Colorado State Office
2850 Youngfield Street
Lakewood, Colorado 80215-7076

IN REPLY REFER TO:

CO922 (MM)
3106
COC017387 et. al.

March 23, 2006

NOTICE

Kerr-McGee Oil & Gas Onshore L.P. :
1999 Broadway, Suite 3700 : Oil & Gas
Denver, CO 80202 :

Merger/Name Change - Recognized

On February 28, 2006 this office received acceptable evidence of the following mergers and name conversion:

Kerr-McGee Oil & Gas Onshore L.P., a Delaware Limited Partnership, and Kerr-McGee Oil & Gas Onshore LLC, a Delaware Limited Partnership merger with and into Westport Oil and Gas Company L.P., a Delaware Limited Partnership, and subsequent Westport Oil & Gas Company L.P. name conversion to Kerr-McGee Oil & Gas Onshore L.P.

For our purposes the merger and name conversion was effective January 4, 2006, the date the Secretary of State of Delaware authenticated the mergers and name conversion.

Kerr-McGee Oil & Gas Onshore L.P. provided a list of oil and gas leases held by the merging parties with the request that the Bureau of Land Management change all their lease records from the named entities to the new entity, Kerr-McGee Oil & Gas Onshore L.P. In response to this request each state is asked to retrieve their own list of leases in the names of these entities from the Bureau of Land Management's (BLM) automated LR2000 data base.

The oil and gas lease files identified on the list provided by Kerr-McGee Oil & Gas Onshore L.P. have been updated as to the merger and name conversion. We have not abstracted the lease files to determine if the entities affected by the acceptance of these documents holds an interest in the lease, nor have we attempt to identify leases where the entity is the operator on the ground that maintains vested record title or operating rights interests. If additional documentation, for change of operator, is required you will be contacted directly by the appropriate Field Office. The Mineral Management Services (MMS) and other applicable BLM offices were notified of the merger with a copy of this notice

Please contact this office if you identify additional leases where the merging party maintains an interest, under our jurisdiction, and we will document the case files with a copy of this notice. If the leases are under the jurisdiction of another State Office that information will be forwarded to them for their action.

Three riders accompanied the merger/name conversion documents which will add Kerr-McGee Oil and Gas Onshore LLC as a principal to the 3 Kerr-McGee bonds maintained by the Wyoming State Office. These riders will be forward to them for their acceptance.

The Nationwide Oil & Gas Continental Casualty Company Bond #158626364 (BLM Bond #CO1203), maintained by the Colorado State Office, will remain in full force and effect until an assumption rider is accepted by the Wyoming State Office that conditions their Nationwide Safeco bond to accept all outstanding liability on the oil and gas leases attached to the Colorado bond.

If you have questions about this action you may call me at 303.239.3768.

/s/Martha L. Maxwell
Martha L. Maxwell
Land Law Examiner
Fluid Minerals Adjudication

Attachment:

List of OG Leases to each of the following offices:

MMS MRM, MS 357B-1

WY, UT, NM/OK/TX, MT/ND, WY State Offices

CO Field Offices

Wyoming State Office

Rider #1 to Bond WY2357

Rider #2 to Bond WY1865

Rider #3 to Bond WY1127



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



IN REPLY REFER TO:
3106
(UT-922)

March 27, 2006

Memorandum

To: Vernal Field Office

From: Chief, Branch of Fluid Minerals

Subject: Merger Approval

Attached is an approved copy of the merger recognized by the Bureau of Land Management, Colorado State Office. We have updated our records to reflect the merger from Westport Oil and Gas Company L.P. into Kerr-McGee Onshore Oil and Gas Company. The merger was approved effective January 4, 2006.

Chief, Branch of
Fluid Minerals

Enclosure

Approval letter from BLM COSO (2 pp)

cc: MMS, Reference Data Branch, James Sykes, PO Box 25165, Denver CO 80225
State of Utah, DOGM, Attn: Earlene Russell, PO Box 145801, SLC UT 84114
Teresa Thompson
Joe Incardine
Connie Seare
Dave Mascarenas
Susan Bauman

RECEIVED

MAR 28 2006

UT. OF OIL, GAS & MIN. (BLM)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

5. Lease Serial No.

UTU-037167

6. If Indian, Allottee or Tribe Name

AUG 24 2006

7. If Unit or CA/Agreement, Name and/or No.

NATURAL BUTTES UNIT

8. Well Name and No.

NBU 1022-35J

9. API Well No.

4304737180

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR MCGEE OIL AND GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

435-781-7003

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NWSE SEC 35-T10S-R22E

1971' FSL 1844' FEL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other APD EXTENSION
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

THE OPERATOR REQUESTS AUTHORIZATION FOR A ONE YEAR EXTENSION FOR THE SUBJECT WELL LOCATION SO THAT THE DRILLING OPERATIONS MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE BUREAU OF LAND MANAGEMENT ON SEPTEMBER 27, 2005.

CONDITIONS OF APPROVAL ATTACHED

RECEIVED

SEP 28 2006

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

RAMEY HOOPES

Title

REGULATORY CLERK

DIV. OF OIL, GAS & MINING

Signature

Date

August 22, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Petroleum Engineer

Date

SEP 21 2006

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

UDOGM

CONDITIONS OF APPROVAL

Kerr McGee Oil & Gas Onshore.

Notice of Intent APD Extension

Lease: UTU-037167
Well: NBU 1022-35J
Location: NWSE Sec 35-T10S-R22E

An extension for the referenced APD is granted with the following conditions:

1. The extension and APD shall expire on 9/27/07
2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Matt Baker of this office at (435) 781-4490

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR MCGEE OIL AND GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

435-781-7003

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NWSE SEC 35-T10S-R22E

1971' FSL 1844' FEL

5. Lease Serial No.

UTU-037167

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

NATURAL BUTTES UNIT

8. Well Name and No.

NBU 1022-35J

9. API Well No.

4304737180

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other APD EXTENSION
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	DOGM
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

THE OPERATOR REQUESTS AUTHORIZATION FOR A ONE YEAR EXTENSION FOR THE SUBJECT WELL LOCATION SO THAT THE DRILLING OPERATIONS MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE DIVISION OF OIL, GAS AND MINING ON SEPTEMBER 27, 2005.

Approved by the
Utah Division of
Oil, Gas and Mining

Date:

11-02-06
[Signature]

By:

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

RAMEY HOOPES

Title

REGULATORY CLERK

Signature

Ramey Hoopes

Date

October 20, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

RECEIVED

NOV 01 2006

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304737180
Well Name: NBU 1022-35J
Location: NWSE SEC 35- T10S-R22E
Company Permit Issued to: KERR MCGEE OIL AND GAS ONSHORE LP
Date Original Permit Issued: 9/8/2005
27

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Ramey Hoopes
Signature

10/20/2006
Date

Title: REGULAROTY CLERK

Representing: Kerr McGee Oil and Gas Onshore LP

**RECEIVED
NOV 01 2006**

DIV. OF OIL, GAS & MINING

RECEIVED

Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SEP 20 2005

BLM VERNAL, UTAH

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-037167	
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator KERR MCGEE OIL AND GAS ONSHORE LP		7. If Unit or CA Agreement, Name and No. NATURAL BUTTES UNIT	
3A. Address 1368 SOUTH 1200 EAST, VERNAL, UTAH 84078		8. Lease Name and Well No. NBU 1022-35J	
3b. Phone No. (include area code) (435) 781-7003		9. API Well No. 43-047-37180	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWSE 1971' FSL 1844' FEL		10. Field and Pool, or Exploratory NATURAL BUTTES	
At proposed prod. Zone		11. Sec., T., R., M., or Blk. and Survey or Area SEC 35-T10S-R22E	
14. Distance in miles and direction from nearest town or post office* 26.6 MILES SOUTHEAST OF OURAY, UTAH		12. County or Parish UNTAH	13. State UT
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1844'	16. No. of Acres in lease 1320	17. Spacing Unit dedicated to this well 40	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C	19. Proposed Depth 8050'	20. BLM/BIA Bond No. on file CO-1203	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5667.3' GL	22. Approximate date work will start* UPON APPROVAL	23. Estimated duration TO BE DETERMINED	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized office.

25. Signature 	Name (Printed/Typed) RAMEY HOOPES	Date 4/17/2006
Title REGULATORY CLERK		
Approved by (Signature) 	Name (Printed/Typed) JERRY KEWERKA	Date 1-29-2007
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

CONDITIONS OF APPROVAL ATTACHED

06BM1195A
NOS 6/10/05

Entered in AFMSS
Date 12-28-06

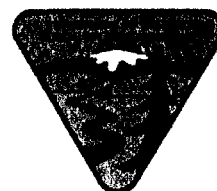
NOTICE OF APPROVAL

FEB 07 2007

DIV. OF OIL, GAS & MINING



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE
170 South 500 East VERNAL, UT 84078 (435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Kerr-McGee Oil & Gas Onshore, LP Location: NWSE, Sec. 35, T10S, R22E
Well No: NBU 1022-35J Lease No: UTU-37167
API No: 43-047-37180 Agreement: Natural Buttes Unit

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	435-781-4490	435-828-4470
Petroleum Engineer:	Michael Lee	435-781-4432	435-828-7875
Petroleum Engineer:	James Ashley	435-781-4470	435-828-7874
Petroleum Engineer:	Ryan Angus	435-781-4430	
Supervisory Petroleum Technician:	Jamie Sparger	435-781-4502	435-828-3913
NRS/Enviro Scientist:	Paul Buhler	435-781-4475	435-828-4029
NRS/Enviro Scientist:	Karl Wright	435-781-4484	
NRS/Enviro Scientist:	Holly Villa	435-781-4404	
NRS/Enviro Scientist:	Melissa Hawk	435-781-4476	435-828-7381
NRS/Enviro Scientist:	Chuck MacDonald	435-781-4441	
NRS/Enviro Scientist:	Jannice Cutler	435-781-3400	
NRS/Enviro Scientist:	Michael Cutler	435-781-3401	
NRS/Enviro Scientist:	Anna Figueroa	435-781-3407	
NRS/Enviro Scientist:	Verlyn Pindell	435-781-3402	
NRS/Enviro Scientist:	Darren Williams	435-781-4447	
NRS/Enviro Scientist:	Nathan Packer	435-781-3405	
After Hours Contact Number: 435-781-4513		Fax: 435-781-4410	

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a one-year period. An additional year extension may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

- | | |
|--|--|
| Location Construction
(Notify NRS/Enviro Scientist) | - Forty-Eight (48) hours prior to construction of location and access roads. |
| Location Completion
(Notify NRS/Enviro Scientist) | - Prior to moving on the drilling rig. |
| Spud Notice
(Notify Petroleum Engineer) | - Twenty-Four (24) hours prior to spudding the well. |
| Casing String & Cementing
(Notify Supervisory Petroleum Technician) | - Twenty-Four (24) hours prior to running casing and cementing all casing strings. |
| BOP & Related Equipment Tests
(Notify Supervisory Petroleum Technician) | - Twenty-Four (24) hours prior to initiating pressure tests. |
| First Production Notice
(Notify Petroleum Engineer) | - Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days. |

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

- If paleontologic materials are uncovered during construction, the operator shall immediately stop work that might further disturb such materials and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation will be necessary for the discovered paleontologic material.

- The following interim seed mixture shall be used:

Type		lbs./acre
Crested Wheat grass	<i>Agropyron cristatum</i>	12
** Seed should be drilled; but if broadcasted double the pounds per acre used and work the solids mechanically to cover the seed.		

- All pounds are in pure live seed.
 - Reseeding may be required if first seeding is not successful.
- The topsoil from the reserve pit should be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread, and the area shall be seeded in the same manner as the location topsoil.
- Following well plugging and abandonment, the location, access roads, pipelines, and other facilities shall be reclaimed. All disturbed surfaces shall be reshaped to approximate the original contour; the top soil respread over the surface; and, the surface revegetated. The surface of approved staging areas where construction activities did not occur may require disking or ripping and reseeding.

General Surface COA

Operator shall notify any active Gilsonite mining operation within 2 miles of the location 48 hours prior to any blasting during construction for this well.

DOWNHOLE CONDITIONS OF APPROVAL

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

- Mud monitoring equipment as outlined in Onshore Order #2 shall be required.

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**
- Blowout prevention equipment (BOPE) will remain in use until the well is completed or abandoned. Closing unit controls must remain unobstructed and readily accessible at all times. Choke manifolds must be located outside of the rig substructure.
- All BOPE components will be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests must be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test must be reported in the driller's log.
- BOP drills must be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The lessee/operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled and analyzed (a copy of the analyses to be submitted to the BLM Field Office in Vernal, Utah).

- All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.
- The lessee/operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows will be adequately tested for commercial possibilities, reported, and protected.
- No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM, Vernal Field Office must be obtained and notification given before resumption of operations.
- Chronologic drilling progress reports must be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- Any change in the program must be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) must be filed for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.
- Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, will require the filing of a suitable plan pursuant to Onshore Oil & Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.
- In accordance with 43 CFR 3162.4-3, this well must be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a

summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by the BLM, Vernal Field Office.

- **Please submit an electronic copy of all logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF other).**
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the BLM, Vernal Field Office.
- All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.
- Oil and gas meters will be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- This APD is approved subject to the requirement that, shall the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and / or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas will be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.

- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, will be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: KERR MCGEE OIL & GAS ONSHORE LP Operator Account Number: N 2995
Address: 1368 SOUTH 1200 EAST
city VERNAL
state UT zip 84078 Phone Number: (435) 781-7024

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304737436	NBU 1021-21J		NWSE	21	10S	21E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<u>B</u>	99999	<u>2900</u>	4/30/2007		<u>5/10/07</u>		
Comments: <u>MIRU PETE MARTIN BUCKET RIG WSMVD</u> SPUD WELL LOCATION ON 04/30/2007 AT 1100 HRS.							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304737180	NBU 1022-35J		NWSE	35	10S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<u>B</u>	99999	<u>2900</u>	5/1/2007		<u>5/10/07</u>		
Comments: <u>MIRU ROCKY MTN BUCKET RIG WSMVD</u> SPUD WELL LOCATION ON 05/01/2007 AT 1330 HRS.							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

(5/2000)

To: <u>BARBARA RUSSELL</u>	From: <u>Sheila Upchego</u>
Co./Dept. <u>LODOWAN</u>	Co. <u>KMG</u>
Phone # <u>(435) 638-5336</u>	Phone <u>(435) 781-7024</u>
Fax # <u>(435) 359-3940</u>	Fax <u>(435) 781-7094</u>

SHEILA UPCHEGO

Name (Please Print)

Signature

SENIOR LAND SPECIALIST

5/2/2007

Title

Date

RECEIVED

MAY 02 2007

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

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UTU-037167

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

UNIT #891008900A
NATURAL BUTTES UNIT

8. Well Name and No.

NBU 1022-35J

9. API Well No.

4304737180

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR-McGEE OIL & GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NWSE SEC. 35, T10S, R22E 1971'FSL, 1844'FEL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
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<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other WELL SPUD
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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MIRU ROCKY MTN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX.

SPUD WELL LOCATION ON 05/01/2007 AT 1330 HRS.

RECEIVED

MAY 07 2007

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

SHEILA UPCHEGO

Title

SENIOR LAND ADMIN SPECIALIST

Date

May 2, 2007

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

UTU-037167

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

UNIT #891008900A

NATURAL BUTTES UNIT

8. Well Name and No.

NBU 1022-35J

9. API Well No.

4304737180

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR-McGEE OIL & GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NWSE SEC. 35, T10S, R22E 1971'FSL, 1844'FEL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other SET SURFACE
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	CSG
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

MIRU BILL MARTIN AIR RIG ON 05/04/2007. DRILLED 12 1/4" SURFACE HOLE TO 1860'. RAN 9 5/8" 32.3# H-40 SURFACE CSG. LEAD CMT W/150 SX HIFILL CLASS G @11.0 PPG 3.82 YIELD. TAILED CMT W/200 SX PREM CLASS G @15.8 PPG 1.15 YIELD. GOOD RETURNS THROUGH OUT JOB 18 +/- BBL LEAD CMT TO BIT. RAN 200' OF 1" PIPE CMT W/80 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN 1" GOOD CMT TO SURFACE AND FELL BACK. TOP OUT W/75 SX PREM CLASS G @15.8 PPG 1.15 YIELD DOWN BACK TO SURFACE. GOOD CMT TO SURFACE HOLE STAYED FULL. WORT.

RECEIVED
MAY 9 2007

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

SHEILA UPCHEGO

Title

SENIOR LAND ADMIN SPECIALIST

Signature

Date

May 8, 2007

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

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OMB No. 1004-0135
Expires November 30, 2000

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UTU-037167

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UNIT #891008900A
NATURAL BUTTES UNIT

8. Well Name and No.

NBU 1022-35J

9. API Well No.

4304737180

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

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<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other FINAL DRILLING OPERATIONS
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

FINISHED DRILLING FROM 1860' TO 8080' ON 05/22/2007. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/340 SX PREM LITE II @11.2 PPG 3.13 YIELD. TAILED CMT W/1370 SX 50/50 POZ @14.3 PPG 1.31 YIELD. DISPLACE W/124.5 BBLS CLAYFIX BUMP PLUG FLOATS HELD FINAL CIRC PSI 2480 SET SLIPS 85K NIPPLE DOWN & CUT OFF CSG. CLEAN PITS.

RELEASED PIONEER RIG 38 ON 05/23/2007 AT 1800 HRS.

RECEIVED

MAY 29 2007

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

SHEILA UPCHEGO

Title

SENIOR LAND ADMIN SPECIALIST

Date

May 24, 2007

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR-McGEE OIL & GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

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UNIT #891008900A

NATURAL BUTTES UNIT

8. Well Name and No.

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UINTAH COUNTY, UTAH

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<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other PRODUCTION
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	START-UP
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 06/30/2007 AT 9:00 AM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

SHEILA UPCHEGO

Title

SENIOR LAND ADMIN SPECIALIST

Date

July 3, 2007

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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(Instructions on reverse)

JUL 17 2007



Anadarko Petroleum Corporation
1368 S. 1200 East
Vernal, UT 84078

CHRONOLOGICAL WELL HISTORY

NBU 1022-35J

NWSE, SEC. 35, T10S, R22E
UINTAH COUNTY, UT

DATE	ACTIVITY	STATUS
03/23/07	LOCATION STARTED PIONEER 38	
04/20/07	LOCATION COMPLETE PIONEER 38	P/L IN, WOBR
05/01/07	SET CONDUCTOR PIONEER 38	WOAR
05/04/07	SET AIR RIG, 9 5/8" @1828' PIONEER 38	WORT
05/14/07	TD: 3826' Csg. 9 5/8"@ 1828' MW: 8.8 SD: 5/12/07 DSS: 2 Move to NBU 1022-35J. RURT. NU and test BOPE. PU drill string and drill FE. Rotary spud @ 1630 hrs 5/12/07. Drill from 1860'-3826'. DA.	
05/15/07	TD: 4841' Csg. 9 5/8"@ 1828' MW: 9.8 SD: 5/12/07 DSS: 3 Drill from 3826'-4841'. DA @ report time.	
05/16/07	TD: 5063' Csg. 9 5/8"@ 1828' MW: 10.2 SD: 5/12/07 DSS: 4 Drill from 4841'-4957'. Repair csg. TOOH and c/o wear ring. Change bit and MM. TIH and drill from 4957'-5063'. DA @ report time.	
05/17/07	TD: 5640' Csg. 9 5/8"@ 1828' MW: 11.1 SD: 5/12/07 DSS: 5 Drill from 5063'-5640'. DA @ report time.	
05/18/07	TD: 6172' Csg. 9 5/8"@ 1828' MW: 11.1 SD: 5/12/07 DSS: 6 Drill from 5640'-6172'. POOH to shoe and work on generator.	
05/21/07	TD: 7534' Csg. 9 5/8"@ 1828' MW: 11.4 SD: 5/12/07 DSS: 9 Work on generator. Drill from 6172'-7534'. DA.	
05/22/07	TD: 8080' Csg. 9 5/8"@ 1828' MW: 11.7 SD: 5/12/07 DSS: 10 Drill from 7534'-8080'. TD. CCH. For short trip.	
05/23/07	TD: 8080' Csg. 9 5/8"@ 1828' MW: 11.7 SD: 5/12/07 DSS: 11 CCH. Short trip. LDDP. Run triple combo to 8080' Run 4 1/2 casing.	

05/24/07

TD: 8080' Csg. 9 5/8" @ 1828' MW: 11.7 SD: 5/12/07 DSS: 12
Run and cement 4 1/2 casing. Set slips and release rig @ 1800 hrs 5/23/07. RDRT.

06/25/07

PU PROD TBG

Days On Completion: 1

Remarks: 7:00 AM. HSM PU 3 7/8" MILL & SUB. PU DRIFT & TALLEY 262 JTS OF 2 3/8" J-55 4.7# TBG. TAG PBTD @ 8,022.75'. POOH LD 24 JTS & STAND BACK 119 STANDS. ND BOP'S NU FRAC VALVES. SWI SDFN.

06/26/07

LOG AND PERF

Days On Completion: 2

Remarks: 7:00 AM. HSM MIRU CUTTERS TO LOG & PERFORATE. RIH W/ CEMENT BOND LOG TOOLS. TOOLS NOT WORKING POOH WORK ON EQUIPMENT. RIH W/ CEMENT BOND LOG TOOLS. TAG PBTD @ 8,003'. LOG TO SURFACE. CEMENT TOP @ 100'. GOOD BOND. MIRU B&C QUICK TEST. PRESSURE TEST CASING & FRAC VALVES TO 7,500 PSI. GOOD TEST. RDMO B&C QUICK TEST. RIH W/ 3 3/8" EXP GNS, TRUCK WOULD NOT WORK. CUTTERS SENT OUT ANOTHER COMPUTER PANEL. RIH W/ 3 3/8" GNS, 23 GRM, .36 HOLES, 90 & 120 DEG PHASING. PERFORATE 7,978' - 82' 4 SPF, 7,908' - 12' 4 SPF, 7,878' - 80' 4 SPF, 7,857' - 59' 3 SPF, 46 HOLES. RDMO CUTTERS. SWI SDFN

06/27/07

FRAC

Days On Completion: 3

Remarks: 6:30 AM. HSM W/ HALLIBURTON, RIG CREW & CUTTERS. PRIME UP PRESSURE TEST PUMPS & LINES TO 8,000 PSI

STG 1) WHP 67 PSI, BRK 3,474 PSI @ 4.4 BPM, ISIP 2,215 PSI, FG .72 PUMP 100 BBLS @ 52.0 BPM, @ 3,900 PSI = 46 OF 46 HOLES OPEN. MP 6,628 PSI, MR 56.5 BPM, AP 3,867 PSI, AR 50.6 BPM, ISIP 2,344 PSI FG .73, NPI 129 PSI, PMP 1,138 BBLS SLICK WATER & 29,900 LBS 30/50 SAND & 5,000 LBS 20/40 RESIN COATED SAND TOTAL PROP 34,900 LBS

STG 2) RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES 90 DEG PHASING SET 8K BAKER CBP @ 7,690' & PERF 7,653' - 58' 4 SPF, 7,631' - 36' 4 SPF, 40 HOLES WHP 0 PSI, BRK 3,757 PSI @ 5.1 BPM, ISIP 2,504 PSI, FG .77 PUMP 100 BBLS @ 51.7 BPM, @ 4,275 PSI = 38 OF 40 HOLES OPEN. MP 4,407 PSI, MR 55.5 BPM, AP 3,910 PSI, AR 49.5 BPM, ISIP 2,569 PSI FG .78, NPI 65 PSI, PMP 979 BBLS SLICK WATER & 28,650 LBS 30/50 SAND & 5,000 LBS 20/40 RESIN COATED SAND TOTAL PROP 33,650 LBS

STG 3) RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES 90 & 120 DEG PHASING SET 8K BAKER CBP @ 7,570' & PERF 7,526' - 30' 4 SPF, 7,494' - 97' 4 SPF, 7,444' - 46' 3 SPF, 7,387' - 89' 4 SPF, 7,339' - 40' 4 SPF, 46 HOLES WHP 0 PSI, BRK 3,947 PSI @ 5.4 BPM, ISIP 2,580 PSI, FG .78 PUMP 100 BBLS @ 54.6 BPM, @ 4,231 PSI = 46 OF 46 HOLES OPEN. MP 6,026 PSI, MR 56.9 BPM, AP 4,120 PSI, AR 53.7 BPM, ISIP 2,407 PSI FG .76, NPI -173 PSI, PMP 2,551 BBLS SLICK WATER & 93,230 LBS 30/50 SAND & 5,000 LBS 20/40 RESIN COATED SAND TOTAL PROP 98,230 LBS

STG 4) RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES 90 & 120 DEG PHASING SET 8K BAKER CBP @ 6,851' & PERF 6,817' - 21' 4 SPF, 6,751' - 54' 4 SPF, 6,694' - 96' 4 SPF, 6,634' - 35' 4 SPF, 6,564' - 66' 3 SPF, 46 HOLES WHP 200 PSI, BRK 2,776 PSI @ 5.0 BPM, ISIP 2,142 PSI, FG .76 PUMP 100 BBLS @ 49.1 BPM, @ 3,390 PSI = 42 OF 46 HOLES OPEN. MP 3,712 PSI, MR 54.2 BPM, AP 3,340 PSI, AR 52.3 BPM, ISIP 2,142 PSI FG .76, NPI 184 PSI, PMP 1,301 BBLS SLICK WATER & 42,250 LBS 30/50 SAND & 5,000 LBS 20/40 RESIN COATED SAND TOTAL PROP 47,250 LBS

STG 5) RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES 90 DEG PHASING SET 8K BAKER CBP @ 6,422' & PERF 6,387' - 92' 4 SPF, 6,348' - 51' 4 SPF, 6,259' - 62' 4 SPF, 42 HOLES WHP 126

PSI, BRK 3,378 PSI @ 6.2 BPM, ISIP 1,732 PSI, FG .71 PUMP 100 BBLS @ 51.5 BPM, @ 3,479 PSI = 42 OF 42 HOLES OPEN. MP 3,546 PSI, MR 56.9 BPM, AP 3,150 PSI, AR 52.8 BPM, ISIP 2,038 PSI FG .76, NPI 306 PSI, PMP 1,453 BBLS SLICK WATER & 48,757 LBS 30/50 SAND & 5,000 LBS 20/40 RESIN COATED SAND TOTAL PROP 53,757 LBS

STG 6) RIH W/ 3 3/8" EXP GNS, 23 GRM, .36 HOLES 90 DEG PHASING SET 8K BAKER CBP @ 5,079' & PERF 5,039' - 49' 4 SPF, 40 HOLES WHP 0 PSI, BRK 1,800 PSI @ 5.4 BPM, ISIP 850 PSI, FG .61 PUMP 100 BBLS @ 51.1 BPM, @ 3,850 PSI = 40 OF 40 HOLES OPEN. MP 2,533 PSI, MR 52.7 BPM, AP 2,393 PSI, AR 50.6 BPM, ISIP 1,677 PSI FG .77, NPI 827 PSI, PMP 960 BBLS SLICK WATER & 34,813 LBS 30/50 SAND & 5,000 LBS 20/40 RESIN COATED SAND TOTAL PROP 39,813 LBS KILL PLG) RIH SET 8K BAKER CBP @ 5,000' RDMO CUTTERS & HALLIBURTON. ND FRAC VALVES NU BOP'S. SWI SDFN.

06/28/07

DRLG CBP&LAND TBG

Days On Completion: 4

Remarks: 7:00 AM. HSM. PU 3 7/8" BIT & FAST EDDIE POBS & SN. RIH W/ 164 JTS OF 2 3/8 J-55 TBG. RU POWER SWIVEL & BRK CIRCULATION RIH

C/O 10' OF SAND TAG PLG 1 @ 5,000' DRL PLG IN 10 MIN 100 PSI INCREASE RIH

C/O 30' OF SAND TAG PLG 2 @ 5,079' DRL PLG IN 10 MIN 100 PSI INCREASE RIH

C/O 30' OF SAND TAG PLG 3 @ 6,422' DRL PLG IN 10 MIN 200 PSI INCREASE RIH

C/O 30' OF SAND TAG PLG 4 @ 6,851' DRL PLG IN 10 MIN 200 PSI INCREASE RIH

C/O 30' OF SAND TAG PLG 5 @ 7,570' DRL PLG IN 10 MIN 400 PSI INCREASE RIH

C/O 30' OF SAND TAG PLG 6 @ 7,690' DRL PLG IN 10 MIN 500 PSI INCREASE RIH

C/O 80' TO 8,022' PBTD CIRCULATE WELL CLEAN. POOH LD 30 JTS OF 2 3/8" J-55 4.7# TBG.

LAND TBG W/ 232 JTS EOT 7,106.47' ND BOP'S NU WELL HEAD. DROP BALL TO SHEAR OFF BIT. PUMP BIT OFF @ 1,100 PSI. CHECK TO SEE IF BIT IS OFF. OK. SWI WAITE 30 MINUTES FOR BIT TO FALL TO BOTTOM. TURN WELL OVER TO FLOW TESTERS. RIG DOWN.

275 JTS OUT BOUND

16.00' KB

TLTR 8,382 BBLS

232 JTS LANDED

.83 HANGER

RIG REC 1,875 BBLS

43 JTS RETURNED

7,087.44 TUBING

LLTR 6,507 BBLS

2.20 POBS & SN

7,106.47' EOT

FLOWBACK REPORT: CP 1350#, TP 1250#, CK 20/64", 60 BWPH, LOAD REC'D 1050 BBLS, LLTR 5457 BBLS

06/29/07

FLOWBACK REPORT: CP 1850#, TP 1300#, CK 20/64", 30 BWPH, LOAD REC'D 1960 BBLS, LLTR 4547 BBLS

06/30/07

FLOWBACK REPORT: CP 2050#, TP 1300#, CK 20/64", 30 BWPH, LOAD REC'D 2680 BBLS, LLTR 3827 BBLS
ON SALES: 594 MCF, 0 BC, 720 BW, TP: 1300#, CP: 2050#, 20/64 CHK, 20 HRS, LP: 113#.

07/01/07

FLOWBACK REPORT: CP 2025#, TP 1275#, CK 20/64", 30 BWPH, LOAD REC'D 3400 BBLS, LLTR 3107 BBLS
ON SALES: 1058 MCF, 0 BC, 720 BW, TP: 1275#, CP: 2025#, 20/64 CHK, 20 HRS, LP: 110#.

07/02/07

FLOWBACK REPORT: CP 2000#, TP 1300#, CK 20/64", 20 BWPH, LOAD REC'D 3880 BBLS, LLTR 2627 BBLS

NOTICE

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- Within 30 days after the completion or plugging of a well, the following shall be filed:
 - Form 8, Well Completion or Recompletion Report and Log
 - A copy of electric and radioactivity logs, if run
 - A copy of drillstem test reports,
 - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
 - A copy of core analyses, and lithologic logs or sample descriptions if compiled
 - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

As of the mailing of this notice, the division has not received the required reports for

Operator: Kerr-McGee Oil & Gas Onshore, LP

Today's Date: 09/18/2007

Well:	API Number:	Drilling Commenced:
NBU 921-33P wcr	4304736396	03/07/2007
Bonanza 1023-16J drlg/wcr	4304737092	03/09/2007
Wissiuip 36-187 wcr	4304737580	04/20/2007
State 1021-36K wcr	4304738849	04/25/2007
NBU 1021-21J wcr	4304737436	04/30/2007
NBU 1022-35J wcr	4304737180	05/01/2007
Bitter Creek 1122-2H wcr	4304736997	05/02/2007
NBU 921-33O wcr	4304736499	05/03/2007

To avoid compliance action, required reports should be mailed within 7 business days to:

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

If you have questions or concerns regarding this matter, please call (801) 538-5284.

cc: Well File
Compliance File

Well	API number	Drilling Commenced
Hatch 923-14G wcr	4304737028	05/06/2007
NBU 922-32H-3T wcr	4304738569	05/08/2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☐ Oil Well ☒ Gas ☐ Dry ☐ Other
b. Type of Completion: ☒ New ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.
Other _____

2. Name of Operator

KERR MCGEE OIL & GAS ONSHORE LP

3. Address

1368 SOUTH 1200 EAST VERNAL, UTAH 84078

3a. Phone No. (include area code)

(435)-781-7024

4. Location of Well (Report locations clearly and in accordance with Federal requirements)*

At surface

NW/SE 1971'FSL, 1844'FEL

At top prod. interval reported below

At total depth

14. Date Spudded

05/01/07

15. Date T.D. Reached

05/22/07

16. Date Completed

☐ D & A ☒ Ready to Prod.

06/30/07

18. Total Depth: MD

TVD

8080'

19. Plug Back T.D.: MD

TVD

8022'

20. Depth Bridge Plug Set: MD

TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

CBL-CCL-GR, SD, DSN, HRI

22. Was well cored? ☒ No ☐ Yes (Submit copy)
Was DST run? ☒ No ☐ Yes (Submit copy)
Directional Survey? ☒ No ☐ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
20"	14"	36.7#		40'		28 SX			
12 1/4"	9 5/8"	32.3#		1860'		505 SX			
7 7/8"	4 1/2"	11.6#		8080'		1710 SX			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Set (MD)
2 3/8"	7106'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WASATCH	5039'	5049'	5039'-5049'	0.36	40	OPEN
B) MESAVERDE	6259'	7982'	6259'-7982'	0.36	220	OPEN
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and type of Material
5039'-5049'	PMP 960 BBLS SLICK H2O & 39,813# 30/50 OTTOWA SD
6259'-7982'	PMP 7422 BBLS SLICK H2O & 267,605# 30/50 OTTOWA SD

RECEIVED

OCT 17 2007

DIV. OF OIL, GAS & MINING

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
06/30/07	07/15/07	24	→	0	1,819	240			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg. 1251#	Csg. Press. 1598#	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Well Status	
17/64	SI	1598#	→	0	1819	240			PRODUCING GAS WELL

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
06/30/07	07/15/07	24	→	0	1819	240			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg. 1251#	Csg. Press. 1598#	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Well Status	
17/64	SI	1598#	→	0	1819	240			PRODUCING GAS WELL

(See instructions and spaces for additional data on reverse side)

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
WASATCH MESAVERDE	3905' 6066'	6066'			

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geologic Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 5. Core Analysis 7. Other:

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) SHEILA UPCHEGO

Title SENIOR LAND ADMIN SPECIALIST

Signature

Date 8/7/2007

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.